

OFFICE OF THE STATE CONTROLLER
STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2005-07
SCHOOL DISTRICT FISCAL ACCOUNTABILITY REPORTING & EMPLOYEE BENEFITS
DISCLOSURE (CONSOLIDATION)

REVISED JULY 1, 2014

In accordance with Government Code (GC) sections 17560 and 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state-mandated cost programs. This document contains claiming instructions and forms that eligible claimants must use for filing claims for the School District Fiscal Accountability Reporting and Employee Benefits Disclosure program. The Amended Parameters and Guidelines (P's & G's) are included as an integral part of the claiming instructions.

On July 28, 2005, the Commission on State Mandates (CSM) amended and consolidated the School District Fiscal Accountability Reporting and Employee Benefits Disclosure programs which listed the activities required to comply with the budget process.

Exception

There will be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

Eligible Claimants

With the exception of community colleges, any school district, as defined in GC section 17519, that incurs increased costs as a result of this mandate is eligible to claim for reimbursement. Charter schools and block grant recipients are not eligible to claim for reimbursement.

Reimbursement Claim Deadline

Claims for the **2013-14** fiscal year may be filed by **February 17, 2015**, without a late penalty. **Claims filed more than one year after the filing date will not be accepted.**

Penalty

- **Initial Claims**

When filed within one year of the initial filing deadline, claims are assessed a late penalty of 10% of the total amount of the initial claim without limitation pursuant to GC section 17561, subdivision (d)(3).

- **Annual Reimbursement Claim**

When filed within one year of the annual filing deadline, claims are assessed a late penalty of 10% of the claim amount; \$10,000 maximum penalty, pursuant to GC section 17568.

Minimum Claim Cost

GC section 17564, subdivision (a), provides that no claim may be filed pursuant to Sections 17551 and 17561, unless such a claim exceeds one thousand dollars (**\$1,000**), provided that a county superintendent of schools may submit a combined claim on behalf of school districts within their county if the combined claim exceeds **\$1,000**, even if the individual school district's claim does not each exceed **\$1,000**. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement will be allowed except as otherwise allowed by GC section 17564. The county superintendent of schools will determine if the submission of the combined claim is economically feasible and be responsible for disbursing the funds to each school district. These combined claims may be filed only when the county superintendent of schools is the fiscal agent for the districts. A combined claim must show the individual claim costs for each eligible school district. All subsequent claims based upon the same mandate will only be filed in the combined form unless a school district provides a written notice of its intent to file a separate claim to the county superintendent of schools and to the SCO at least 180 days prior to the deadline for filing the claim.

Reimbursement of Claims

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. These costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating: "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5.

Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, these documents cannot be substituted for source documents.

Audit of Costs

All claims submitted to the SCO are subject to review to determine if costs are related to the mandate, are reasonable and not excessive, and if the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the CSM. If any adjustments are made to a claim, the claimant will be notified of the amount adjusted, and the reason for the adjustment.

On-site audits will be conducted by the SCO as deemed necessary. Pursuant to GC section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a claimant is subject to audit by the SCO no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was

made to a claimant for the program for the fiscal year for which the claim was filed, the time for the SCO to initiate an audit will commence to run from the date of initial payment of the claim.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to the SCO on request.

Record Retention

All documentation to support actual costs claimed must be retained for a period of three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated or no payment was made at the time the claim was filed, the time for the Controller to initiate an audit will be from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to the SCO on request.

Claim Submission

Submit a signed original Form FAM-27 and one copy with required documents. **Please sign the Form Fam-27 in blue ink and attach the copy to the top of the claim package.**

Mandated costs claiming instructions and forms are available online at the SCO's website: **www.sco.ca.gov/ard_mancost.html**.

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

If you have any questions, you may email **LRSDAR@sco.ca.gov** or call the Local Reimbursements Section at (916) 324-5729.

AMENDED PARAMETERS AND GUIDELINES

CONSOLIDATION

School District Fiscal Accountability Reporting (97-TC-19)
Education Code Sections 42100, 42127, 42127.5, 42127.6, 42128, 42131,
Government Code Section 3540.2
Statutes 1981, Chapter 100
Statutes 1985, Chapter 185
Statutes 1986, Chapter 1150
Statutes 1987, Chapters 917 and 1452
Statutes 1988, Chapters 1461 and 1462
Statutes 1990, Chapter 525
Statutes 1991, Chapter 1213
Statutes 1992, Chapter 323
Statutes 1993, Chapters 923 and 924
Statutes 1994, Chapters 650 and 1002
Statutes 1995, Chapter 525

Employee Benefits Disclosure (CSM-4502)
Education Code Section 42142
Statutes 1994, Chapter 650 (AB 3141)

I. SUMMARY OF THE MANDATE

School District Fiscal Accountability Reporting

On October 26, 2000, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that the *School District Fiscal Accountability Reporting* program (Education Code sections 42100, 42127, 42127.5, 42127.6, 42128, and 42131 and Government Code section 3540.2) requires some new activities, as specified below, which constitute new programs or higher levels of service within existing programs upon school districts and/or county offices of education within the meaning of article XIII B, section 6 of the California Constitution and impose costs mandated by the state pursuant to Government Code section 17514.

Accordingly, the Commission approved this test claim for the following specific new activities required to comply with the budget process:

School District Activities:

1. Sending a statement of receipts and expenditures for the preceding fiscal year to the county superintendent of schools, pursuant to Education Code section 42100.
2. Adjusting for the change in the deadline for adopting the revised school district budget, from on or before September 15, to on or before September 8, pursuant to Education Code section 42127.
3. Making available for public review, not later than 45 days after the Governor signs the annual State Budget Act, any revisions in revenues and expenditures made to the school district budget to reflect the funding made available by that State Budget Act, pursuant to Education Code section 42127.
4. Drafting a statement of correction when the school district incurs a negative balance, pursuant to Education Code section 42127.5.
5. Certifying in writing, either positively, qualifiedly, or negatively, within 45 days after the close of the period being reported, whether the school district is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for the subsequent fiscal year, pursuant to Education Code section 42131.
6. Filing with the county superintendent of schools a copy of the financial obligation certification, and a copy of the report submitted to the school district governing board required by Education Code section 42130, pursuant to Education Code section 42131.
7. For those school districts with a qualified or negative financial certification, providing to the county superintendent of schools, the State Controller, and the State Superintendent of Public Instruction, no later than June 1 each year, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30, pursuant to Education Code section 42131.
8. For those school districts with a qualified or negative financial certification, providing the county superintendent of schools with all information relevant to the financial impact of any collective bargaining agreement, in the format developed by the State Superintendent of Public Instruction, as specifically requested by the county office of education, pursuant to Government Code section 3540.2.

County Office of Education Activities:

9. Verifying the mathematical accuracy of the school district statement of receipts and expenditures for the preceding fiscal year, pursuant to Education Code section 42100.
10. Sending a copy of the verified school district statement of receipts and expenditures for the preceding fiscal year to the State Superintendent of Public Instruction, pursuant to Education Code section 42100.
11. Adjusting for the change in deadline for approval of the revised school district budget, from on or before November 1, to on or before October 8, pursuant to Education Code section 42127.
12. Providing a list to the State Superintendent of Public Instruction, on or before September 22, identifying all school districts for which budgets may be disapproved, pursuant to Education Code section 42127.

13. Providing a report to the State Superintendent of Public Instruction, on or before October 8, identifying all school districts for which budgets have been disapproved, including a copy of the written response transmitted to each school district when their budget was disapproved, pursuant to Education Code section 42127.
14. Notifying the State Superintendent of Public Instruction in writing if a county superintendent of schools determines that a school district is unable to meet its financial obligations for the current or two subsequent fiscal years, or if the school district has a qualified or negative certification required by section 42131, pursuant to Education Code section 42127.6.
15. Notifying appropriate county officials that he or she shall not approve any warrants issued by the school district, whenever a school district has not made a budget or filed the interim reports required by section 42130, pursuant to Education Code section 42128.
16. Changing the school district financial certification to negative or qualified, as appropriate, if a county office of education receives a positive certification from the school district, when a negative or qualified certification should have been filed and providing notice of that action to the governing board of the school district and to the State Superintendent of Public Instruction, within 75 days after the close of the applicable reporting period, pursuant to Education Code section 42131.
17. Sending copies of any certification in which the governing board is unable to certify unqualifiedly that financial obligations will be met, and a copy of the report submitted to the governing board pursuant to Section 42130 to the State Controller and the State Superintendent of Public Instruction at the time of certification, together with a completed transmittal form provided by the State Superintendent of Public Instruction, pursuant to Education Code section 42131.
18. Submitting to the State Superintendent of Public Instruction and the State Controller the county superintendent's comments on those school district financial certifications that are classified as qualified or negative, and reporting any action proposed or taken, within 75 days after the close of the applicable reporting period, pursuant to Education Code section 42131.
19. Reporting to the State Controller and State Superintendent of Public Instruction as to whether the governing board of each of the school districts under their jurisdiction has submitted the certification required, and the type of certification filed by each school district, within 75 days after the close of the applicable reporting period, pursuant to Education Code section 42131.

Employee Benefits Disclosure

On February 22, 2001, the Commission determined that the *Employee Benefits Disclosure* program (CSM-4502) imposed a reimbursable state mandate on school districts, as follows:

Within 45 days of adopting a collective bargaining agreement, forwarding to the county superintendent of schools any revisions to the school district's current year budget that are necessary to fulfill the terms of that agreement with any additional costs reflected in interim fiscal reports or multiyear fiscal projects. (Ed. Code, § 42142.)

II. ELIGIBLE CLAIMANTS

Any "school district," as defined in Government Code section 17519, except for community colleges, which incurs increased costs as a result of this mandate, is eligible to claim reimbursement.

III. PERIOD OF REIMBURSEMENT

The period of reimbursement for this amendment begins on July 1, 2005.

Pursuant to Government Code section 17560, reimbursement for state-mandated costs may be claimed as follows:

1. A local agency or school district may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b).
2. A local agency or school district may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
3. In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between October 15 and January 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

Reimbursable actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561 (d)(1), all claims for reimbursement of initial years' costs shall be submitted within 120 days of the issuance of the State Controller's claiming instructions. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the

reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are eligible for reimbursement:

A. Annual Statement of Receipts and Expenditures (Ed. Code, § 42100.)

School District Activities

- On or before September 15, the governing board of each school district shall file an annual statement of all receipts and expenditures of the school district for the preceding fiscal year with the county superintendent of schools.

County Office of Education Activities

- On or before October 15, the county superintendent of schools shall verify the mathematical accuracy of the statement of receipts and expenditures for the preceding fiscal year and shall transmit a copy of the statement to the State Superintendent of Public Instruction.

B. Revised Annual Budget (Ed. Code, § 42127, subd. (i)(4).)

School District Activities

- Amending the policies and procedures to reflect the change in deadline for adopting the revised school district budget from on or before September 15, to on or before September 8. (One-time Activity.)
- Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.

County Office of Education Activities

- Amending the policies and procedures to reflect the change in deadline for approval of the revised budget from on or before November 1, to on or before October 8. (One-time Activity.)

C. Negative Fund or Cash Balances (Ed. Code, §§ 42127.5, 42127.6.)

School District Activities

- The governing board of any school district that reported a negative unrestricted fund balance or a negative cash balance in the annual report required by Education Code section 42127 or in the audited annual financial statements required by Education Code section 42120 shall include with the budget submitted in accordance with Education Code section 42127 and the interim certifications required by Education Code section 35015, a statement that identifies the reasons for the negative unrestricted fund balance or negative cash balance and the steps that have been taken to ensure that the negative balance will not occur at the end of the current fiscal year. (Ed. Code, § 42127.5.)

County Office of Education Activities

- If at any time during the fiscal year the county superintendent of schools determines that a school district may be unable to meet its financial obligations for the current or two subsequent fiscal years or if a school district has a qualified certification pursuant to Education Code section 42131, the superintendent shall notify the governing board of the school district and the State Superintendent of Public Instruction in writing of that determination and the basis for the determination. (Ed. Code, § 42127.6, subd. (a).)

D. Disapproved Budgets (Ed. Code, § 42127, subds. (f) & (h).)

County Office of Education Activities

- On or before September 22, the county superintendent of schools shall provide a list to the State Superintendent of Public Instruction identifying all school districts for which budgets may be disapproved. (Ed. Code, § 42127, subd. (f).)
- Not later than October 8, the county superintendent of schools shall submit a report to the State Superintendent of Public Instruction identifying all school districts for which budgets have been disapproved, including a copy of the written response transmitted to each of those school districts pursuant to Education Code section 42127, subdivision (d). (Ed. Code, § 42127, subd. (h).)

E. Certification of Ability to Meet Fiscal Year Obligations (Ed. Code, § 42131.)

School District Activities

- Within 45 days after the close of the period being reported, the governing board of each school district shall certify, in writing, whether or not the school district is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for the subsequent two fiscal years.¹ The certifications shall be classified as positive, qualified, or negative as prescribed by the State Superintendent of Public Instruction, and shall be based on the financial and budgetary reports required by Education Code section 42130 and additional financial information known by the governing board at the time of the certification. (Ed. Code, § 42131, subd. (a)(2).)
- The school district shall file a copy of each certification and a copy of the financial and budgetary status report submitted pursuant to Education Code section 42130 with the county superintendent of schools (Ed. Code, § 42131, subd. (a)(2).)

County Office of Education Activities

- When a county office of education receives a positive certification that a school district is able to meet its financial obligations, the county office of education shall review the positive certification to determine whether a negative or qualified certification should have been filed. (Ed. Code, § 42131, subd. (a)(2).)
- When a county office of education determines that a positive certification should have been filed as a negative or qualified certification, the county superintendent of schools shall change the certification to negative or qualified, as appropriate, and, no

¹ Commonly referred to as multiyear projections.

later than 75 days after the close of the period being reported, shall provide notice of that action to the governing board of the school district and to the State Superintendent of Public Instruction. (Ed. Code, § 42131, subd. (a)(2).)

- Within 75 days after the close of each reporting period, each county superintendent of schools shall report to the State Controller and the State Superintendent of Public Instruction as to whether the governing board of each school district under his or her jurisdiction has submitted the certification required by Education Code section 42131, subdivision (a). That report shall account for all districts under the jurisdiction of the county office of education and indicate the type of certification filed by each district. (Ed. Code, § 42131, subd. (c).)

F. Qualified and Negative Certifications (Ed. Code, § 42131, subd. (e), Gov. Code, § 3540.2.)

School District Activities

- No later than June 1, the governing board of each school district filing a qualified or negative certification for the second report required under Education Code section 42130, or classified as qualified or negative by the county superintendent of schools, shall provide to the county superintendent of schools, the State Controller, and the State Superintendent of Public Instruction financial statement projections of the district's fund and cash balances through June 30 for the period ending April 30. (Ed. Code, § 42131, subd. (e).)
- A school district with a qualified or negative certification shall provide the county superintendent of schools, upon request, with all information relevant to provide an understanding of the financial impact of any final collective bargaining agreement reached pursuant to Education Code section 3543.2. (Gov. Code, § 3540.2, subd. (d).)

County Office of Education Activities

- At the time of the certification, the county office of education shall submit copies of any certification in which the governing board is unable to certify unqualifiedly that these financial obligations will be met and a copy of the financial and budgetary status report submitted to the governing board pursuant to Education Code section 42130 to the State Controller and the State Superintendent of Public Instruction, together with a completed transmittal form provided by the State Superintendent of Public Instruction. (Ed. Code, § 42131, subd. (a)(2).)
- Within 75 days after the close of the reporting period on all school district certifications that are classified as qualified or negative, the county superintendent of schools shall submit to the State Superintendent of Public Instruction and the State Controller his or her comments on those certifications and report any action proposed or taken pursuant to Education Code section 42131, subdivision (b). (Ed. Code, § 42131, subd. (a)(2).)

G. Neglect or Refusal to Make a Budget (Ed. Code, § 42128.)

County Office of Education Activities

- If the governing board of any school district neglects or refuses to make a school district budget as prescribed by chapter 6, article 2 of the Education Code (beginning with Education Code section 42120), or neglects to file interim financial and budgetary reports pursuant to Education Code section 42130, then the county superintendent of schools shall notify the appropriate county official that he or she shall not approve any warrants issued by the school district.

H. Collective Bargaining Budget Revisions

School District Activities

Within 45 days of adopting a collective bargaining agreement, the superintendent of the school district shall forward to the county superintendent of schools any revisions to the school district's current year budget that are necessary to fulfill the terms of that agreement. Any additional costs to the school district that may result from the terms of the collective bargaining agreement shall be reflected in interim fiscal reports or multi-year fiscal projections. (Ed. Code, § 42142.)

I. Training

Train staff on implementing the reimbursable activities listed in section IV, activities A through H, of these parameters and guidelines. (One-time activity for each employee.)

V. CLAIM PREPARATION AND SUBMISSION

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1, Salaries and Benefits, and A.2, Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3, Contracted Services.

B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

School districts must use the J-380 (or subsequent replacement) non-restrictive indirect cost rate provisionally approved by the California Department of Education.

County offices of education must use the J-580 (or subsequent replacement) non-restrictive indirect cost rate provisionally approved by the California Department of Education.

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter² is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING SAVINGS AND REIMBURSEMENTS

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, services fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (c), the Controller shall issue revised claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(1), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.

IX. REMEDIES BEFORE THE COMMISSION

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

² This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

SCHOOL DISTRICT FISCAL ACCOUNTABILITY REPORTING & EMPLOYEE BENEFITS DISCLOSURE CLAIM FOR PAYMENT			For State Controller Use Only	PROGRAM 258
(19) Program Number 00258 (20) Date Filed (21) LRS Input				
(01) Claimant Identification Number			Reimbursement Claim Data	
(02) Claimant Name			(22) FORM-1, (04) A. (f)	
County of Location			(23) FORM-1, (04) B. (f)	
Street Address or P.O. Box		Suite	(24) FORM-1, (04) C. (f)	
City	State	Zip Code	(25) FORM-1, (04) D. (f)	
		Type of Claim	(26) FORM-1, (04) E. (f)	
		(03) (09) Reimbursement <input type="checkbox"/>	(27) FORM-1, (04) F. (f)	
		(04) (10) Combined <input type="checkbox"/>	(28) FORM-1, (04) G. (f)	
		(05) (11) Amended <input type="checkbox"/>	(29) FORM-1, (04) H. (f)	
Fiscal Year of Cost		(06) (12)	(30) FORM-1, (04) I. (f)	
Total Claimed Amount		(07) (13)	(31) FORM-1, (06)	
Less: 10% Late Penalty (refer to attached Instructions)		(14)	(32) FORM-1, (07)	
Less: Prior Claim Payment Received		(15)	(33) FORM-1, (09)	
Net Claimed Amount		(16)	(34) FORM-1, (10)	
Due from State	(08)	(17)	(35)	
Due to State		(18)	(36)	
<p>(37) CERTIFICATION OF CLAIM</p> <p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the school district or county office of education to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 of the Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grant(s) or payment(s) received, for reimbursement of costs claimed herein; claimed costs are for a new program or increased level of services of an existing program; and claimed amounts do not include charter school costs, either directly or through a third party. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Signature of Authorized Officer</p> <p>_____</p> </div> <div style="width: 45%;"> <p>Date Signed _____</p> <p>Telephone Number _____</p> <p>Email Address _____</p> </div> </div> <p>Type or Print Name and Title of Authorized Signatory _____</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>(38) Name of Agency Contact Person for Claim</p> <p>_____</p> <p>Name of Consulting Firm / Claim Preparer</p> <p>_____</p> </div> <div style="width: 45%;"> <p>Telephone Number _____</p> <p>Email Address _____</p> <p>Telephone Number _____</p> <p>Email Address _____</p> </div> </div>				

PROGRAM
258

**SCHOOL DISTRICT FISCAL ACCOUNTABILITY REPORTING &
EMPLOYEE BENEFITS DISCLOSURE
CLAIM FOR PAYMENT
INSTRUCTIONS**

**FORM
FAM-27**

- (01) Enter the claimant identification number assigned by the State Controller's Office.
- (02) Enter claimant official name, county of location, street or postal office box address, city, State, and zip code.
- (03) to (08) Leave blank.
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing a combined reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate Form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim as shown in the attached Form 1 line (11). The total claimed amount must exceed \$1,000; minimum claim must be \$1,001.
- (14) Initial claims must be filed as specified in the claiming instructions. Annual reimbursement claims must be filed by **February 15**, or otherwise specified in the claiming instructions following the fiscal year in which costs were incurred or the claims must be reduced by a late penalty. Enter zero if the claim was filed on time. Otherwise, enter the penalty amount as a result of the calculation formula as follows:
- Late Initial Claims: Form FAM-27 line (13) multiplied by 10%, without limitation; or
 - Late Annual Reimbursement Claims: Form FAM-27, line (13) multiplied by 10%, late penalty not to exceed \$10,000.
- (15) Enter the amount of payment, if any, received for the claim. If no payment was received, enter zero.
- (16) Enter the net claimed amount by subtracting the sum of lines (14) and (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g., Form 1, (04) A.(f), means the information is located on Form 1, line (04) A., column (f). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 7.548% should be shown as 8. **Completion of this data block will expedite the process.**
- (37) Read the statement of Certification of Claim. The claim must be dated, signed by the agency's authorized officer, and must type or print name, title, date signed, telephone number and email address. **Claims cannot be paid unless accompanied by an original signed certification. (Please sign the Form FAM-27 in blue ink and attach the copy of to the top of the claim package.)**
- (38) Enter the name, telephone number, and email address of the agency contact person for the claim. If claim was prepared by a consultant, type or print the name of the consulting firm, the claim preparer, telephone number, and email address.

SUBMIT A SIGNED ORIGINAL FORM FAM-27 AND ONE COPY WITH ALL OTHER FORMS TO:

Address, if delivered by U.S. Postal Service:

**OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250**

Address, if delivered by other delivery service:

**OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816**

PROGRAM 258	SCHOOL DISTRICT FISCAL ACCOUNTABILITY REPORTING AND EMPLOYEE BENEFITS DISCLOSURE CLAIM SUMMARY					FORM 1
(01) Claimant				(02) Fiscal Year 20 __/20 __		
(03) Leave blank.						
Direct Costs		Object Accounts				
(04) Reimbursable Activities	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Contract Services	(d) Fixed Assets	(e) Travel and Training	(f) Total
A. Actual Statement of Receipts and Expenditures						
B. Revised Annual Budget						
C. Negative Fund or Cash Balances						
D. Disapproved Budgets						
E. Certification of Ability to Meet Fiscal Year Obligations						
F. Qualified and Negative Certifications						
G. Neglect or Refusal to Make a Budget						
H. Collective Bargaining Budget Revisions						
I. Training (One-time activity)						
(05) Total Direct Costs						
Indirect Costs						
(06) Indirect Cost Rate				[Refer to Claim Summary Instructions]		%
(07) Total Indirect Costs				[Line (05)(f) - line (05)(d) - \$ <input style="width: 50px;" type="text"/>] x line (06)		
(08) Total Direct and Indirect Costs				[Line (05)(f) + line (07)]		
Cost Reduction						
(09) Less: Offsetting Revenues						
(10) Less: Other Reimbursements						
(11) Total Claimed Amount						[Line (08) - {line (09) + line (10)}]

PROGRAM 258	SCHOOL DISTRICT FISCAL ACCOUNTABILITY REPORTING AND EMPLOYEE BENEFITS DISCLOSURE CLAIM SUMMARY INSTRUCTIONS	FORM 1
------------------------------	--	-------------------------

- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (03) Leave blank.
- (04) For each reimbursable activity, enter the total from Form 2, line (05), columns (d) through (h) to Form 1, block (04), columns (a) through (e) in the appropriate row. Total each row.
- (05) Total columns (a) through (f).
- (06) Enter the indirect cost rate from the California Department of Education approved indirect cost rate for the year that funds are expended.
- (07) From the Total Direct Costs, line (05)(f), deduct Total Fixed Assets, line (05)(d), and any other item excluded from indirect cost distribution base in accordance with CSAM Procedure 915. Enter zero if there are no exclusions. Multiply the result by the Indirect Cost Rate, line (06).
- (08) Enter the sum of line (05)(f) plus line (07).
- (09) If applicable, enter any revenue received by the claimant for this mandate from any state or federal source.
- (10) If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds, that reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (11) From Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Revenues, line (09), and Other Reimbursements, line (10). Enter the remainder on this line and carry the amount forward to Form FAM-27, line (13) for the Reimbursement Claim.

PROGRAM 258	SCHOOL DISTRICT FISCAL ACCOUNTABILITY REPORTING AND EMPLOYEE BENEFITS DISCLOSURE ACTIVITY COST DETAIL	FORM 2					
(01) Claimant		(02) Fiscal Year 20____/20____					
(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed. <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> A. Actual Statement of Receipts and Expenditures </div> <div style="width: 50%;"> <input type="checkbox"/> F. Qualified and Negative Certifications </div> <div style="width: 50%;"> <input type="checkbox"/> B. Revised Annual Budget </div> <div style="width: 50%;"> <input type="checkbox"/> G. Neglect or Refusal to Make a Budget </div> <div style="width: 50%;"> <input type="checkbox"/> C. Negative Fund or Cash Balances </div> <div style="width: 50%;"> <input type="checkbox"/> H. Collective Bargaining Budget Revisions </div> <div style="width: 50%;"> <input type="checkbox"/> D. Disapproved Budgets </div> <div style="width: 50%;"> <input type="checkbox"/> I. Training (One-time activity) </div> <div style="width: 50%;"> <input type="checkbox"/> E. Certification of Ability to Meet Fiscal Year Obligations </div> </div>							
(04) Description of Expenses		Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel and Training
(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ____ of ____							

PROGRAM 258	SCHOOL DISTRICT FISCAL ACCOUNTABILITY REPORTING AND EMPLOYEE BENEFITS DISCLOSURE ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2
------------------------------	--	-------------------------

- (01) Enter the name of the claimant.
- (02) Enter the fiscal year for which costs were incurred.
- (03) Check the box which indicates the activity being claimed. Check only one box per form. A separate Form 2 must be prepared for each applicable activity.
- (04) The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box checked in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, and travel expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated or no payment was made at the time the claim was filed, the time for the Controller to initiate an audit will be from the date of initial payment of the claim. Such documents must be made available to the SCO on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Salaries and Benefits	Employee Name and Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service			Cost=Hourly Rate x Hours Worked or Total Contract Cost			Copy of Contract and Invoices
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage		
Travel and Training	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode					Total Travel Cost = Rate x Days or Miles	
	Employee Name and Title Name of Class		Dates Attended					Registration Fee	

- (05) Total line (04), columns (d) through (h) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (05), columns (d) through (h) to Form 1, block (04), columns (a) through (e) in the appropriate row.